

SHB 2128 - H AMD 157

By Representative Seaquist

ADOPTED 3/06/2009

1 Strike everything after the enacting clause and insert the
2 following:

3
4 "NEW SECTION. **Sec. 1.** The legislature finds that substantial
5 progress has been made toward achieving the equally important goals
6 set in 2007 that all children in Washington state have health care
7 coverage by 2010 and that child health outcomes improve. The
8 legislature also finds that continued steps are necessary to reach the
9 goals that all children in Washington state shall have access to the
10 health services they need to be healthy and ready to learn and that
11 key measures of child health outcomes will show year by year
12 improvement. The legislature further finds that reaching these goals
13 is integral to the state's ability to weather the current economic
14 crisis. The recent reauthorization of the federal children's health
15 insurance program provides additional opportunities for the state to
16 reach these goals. In view of these important objectives, the
17 legislature intends that the apple health for kids program be managed
18 actively across administrations in the department of social and health
19 services, and across state and local agencies, with clear
20 accountability for achieving the intended program outcomes.

21
22 **Sec. 2.** RCW 74.09.470 and 2007 c 5 s 2 are each amended to read
23 as follows:

24 (1) Consistent with the goals established in RCW 74.09.402,
25 through the apple health for kids program authorized in this section,
26 the department shall provide affordable health care coverage to
27 children under the age of nineteen who reside in Washington state and

1 whose family income at the time of enrollment is not greater than two
2 hundred fifty percent of the federal poverty level as adjusted for
3 family size and determined annually by the federal department of
4 health and human services, and effective January 1, 2009, and only to
5 the extent that funds are specifically appropriated therefor, to
6 children whose family income is not greater than three hundred percent
7 of the federal poverty level. In administering the program, the
8 department shall take such actions as may be necessary to ensure the
9 receipt of federal financial participation under the medical
10 assistance program, as codified at Title XIX of the federal social
11 security act, the state children's health insurance program, as
12 codified at Title XXI of the federal social security act, and any
13 other federal funding sources that are now available or may become
14 available in the future. The department and the caseload forecast
15 council shall estimate the anticipated caseload and costs of the
16 program established in this section.

17 (2) The department shall accept applications for enrollment for
18 children's health care coverage; establish appropriate minimum-
19 enrollment periods, as may be necessary; and determine eligibility
20 based on current family income. The department shall make eligibility
21 determinations within the time frames for establishing eligibility for
22 children on medical assistance, as defined by RCW 74.09.510. The
23 application and annual renewal processes shall be designed to minimize
24 administrative barriers for applicants and enrolled clients, and to
25 minimize gaps in eligibility for families who are eligible for
26 coverage. If a change in family income results in a change in
27 (~~program eligibility~~) the source of funding for coverage, the
28 department shall transfer the family members to the appropriate
29 (~~programs~~) source of funding and notify the family with respect to
30 any change in premium obligation, without a break in eligibility. The
31 department shall use the same eligibility redetermination and appeals
32 procedures as those provided for children on medical assistance
33 programs. The department shall modify its eligibility renewal
34 procedures to lower the percentage of children failing to annually

1 renew. (~~The department shall report to the appropriate committees of~~
2 ~~the legislature on its progress in this regard by December 2007.~~) The
3 department shall manage its outreach, application, and renewal
4 procedures with the goals of: (a) Achieving year by year improvements
5 in enrollment, enrollment rates, renewals, and renewal rates; (b)
6 maximizing the use of existing program databases to obtain information
7 related to earned and unearned income for purposes of eligibility
8 determination and renewals, including, but not limited to, the basic
9 food program, the child care subsidy program, federal social security
10 administration programs, and the employment security department wage
11 database; (c) streamlining renewal processes to rely primarily upon
12 data matches, online submissions, and telephone interviews; and (d)
13 implementing any other eligibility determination and renewal processes
14 to allow the state to receive an enhanced federal matching rate and
15 additional federal outreach funding available through the federal
16 children's health insurance program reauthorization act of 2009 by
17 January 2010. The department shall advise the governor and the
18 legislature regarding the status of these efforts by September 30,
19 2009. The information provided should include the status of the
20 department's efforts, the anticipated impact of those efforts on
21 enrollment, and the costs associated with that enrollment. Each child
22 enrolled in the apple health for kids program under this section will
23 receive an eligibility card that clearly identifies the bearer, by
24 text and logo, as a participant in the program. The card also must
25 include a statement that the goal of the apple health for kids program
26 is to provide health care coverage so that all children in Washington
27 state have the opportunity to succeed in school and live healthy
28 lives.

29 (3) To ensure continuity of care and ease of understanding for
30 families and health care providers, and to maximize the efficiency of
31 the program, the amount, scope, and duration of health care services
32 provided to children under this section shall be the same as that
33 provided to children under medical assistance, as defined in RCW
34 74.09.520.

1 (4) The primary mechanism for purchasing health care coverage
2 under this section shall be through contracts with managed health care
3 systems as defined in RCW 74.09.522 (~~except when utilization patterns~~
4 ~~suggest that fee-for-service purchasing could produce equally~~
5 ~~effective and cost-efficient care~~). However, the department shall
6 make every effort within available resources to purchase health care
7 coverage for uninsured children whose families have access to
8 dependent coverage through an employer-sponsored health plan or
9 another source when it is cost-effective for the state to do so, and
10 the purchase is consistent with requirements of Title XIX and Title
11 XXI of the federal social security act. To the extent allowable under
12 federal law, the department shall require families to enroll in
13 available employer- sponsored coverage, as a condition of
14 participating in the program established under (~~chapter 5, Laws of~~
15 ~~2007~~) this section, when it is cost-effective for the state to do so.
16 Families who enroll in available employer-sponsored coverage under
17 (~~chapter 5, Laws of 2007~~) this section shall be accounted for
18 separately in the annual report required by RCW 74.09.053.

19 (5)(a) To reflect appropriate parental responsibility, the
20 department shall develop and implement a schedule of premiums for
21 children's health care coverage due to the department from families
22 with income greater than two hundred percent of the federal poverty
23 level. For families with income greater than two hundred fifty
24 percent of the federal poverty level, the premiums shall be
25 established in consultation with the senate majority and minority
26 leaders and the speaker and minority leader of the house of
27 representatives. Premiums shall be set at a reasonable level that
28 does not pose a barrier to enrollment. The amount of the premium
29 shall be based upon family income and shall not exceed the premium
30 limitations in Title XXI of the federal social security act. Premiums
31 shall not be imposed on children in households at or below two hundred
32 percent of the federal poverty level as articulated in RCW 74.09.055.

33 (b) Beginning no later than January 1, (~~2009~~) 2010, the
34 department shall offer families whose income is greater than three

1 hundred percent of the federal poverty level the opportunity to
2 purchase health care coverage for their children through the programs
3 administered under this section without ((a)) an explicit premium
4 subsidy from the state. The design of the health benefit package
5 offered to these children should provide adequate and appropriate
6 coverage, and may differ with respect to cost-sharing, covered
7 services, and other appropriate elements from that provided to
8 children under subsection (3) of this section only to the extent
9 necessary to offer an affordable benefit package for the affected
10 families. The amount paid by the family shall be in an amount equal
11 to the rate paid by the state to the managed health care system for
12 coverage of the child, including any associated and administrative
13 costs to the state of providing coverage for the child.

14 (i) The activities and operations of the children's health
15 coverage program under this subsection, including those of managed
16 health care systems to the extent of their participation in the
17 program, are exempt from the provisions of Title 48 RCW, except:

18 (A) The coverage is subject to RCW 48.21.200 and is excess to the
19 benefits payable under the terms of any insurance policy issued to or
20 on the behalf of an enrollee that provides payments toward medical
21 expenses without a determination of liability for the injury.

22 (B) Managed health care systems are subject to the provisions of
23 RCW 48.43.022, 48.43.500 through 48.43.535, 48.43.545, and 48.43.550.

24 (ii) The activities and operations of the children's health
25 coverage program under this subsection are subject to the provisions
26 of RCW 43.70.235, 70.02.045, 70.02.110, and 70.02.900.

27 (iii) Persons appointed or authorized to solicit applications for
28 enrollment in nonsubsidized state children's health coverage,
29 including employees of the department, must comply with chapter 48.17
30 RCW. For purposes of this subsection, the term "solicit" does not
31 include distributing information and applications for nonsubsidized
32 state children's health coverage and responding to questions.

33 (iv) Amounts paid to a managed health care system by the
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1 department for providing health care services pursuant to this
2 subsection must comply with RCW 48.14.0201.

3 (6) The department shall undertake and continue a proactive,
4 targeted outreach and education effort with the goal of enrolling
5 children in health coverage and improving the health literacy of youth
6 and parents. The department shall collaborate with the department of
7 health, local public health jurisdictions, the office of (~~the~~) the
8 superintendent of public instruction, the department of early
9 learning, health educators, health care providers, health carriers,
10 community-based organizations, and parents in the design and
11 development of this effort. The outreach and education effort shall
12 include the following components:

13 (a) Broad dissemination of information about the availability of
14 coverage, including media campaigns;

15 (b) Assistance with completing applications, and community-based
16 outreach efforts to help people apply for coverage. Community-based
17 outreach efforts should be targeted to the populations least likely to
18 be covered;

19 (c) Use of existing systems, such as enrollment information from
20 the free and reduced-price lunch program, the department of early
21 learning child care subsidy program, the department of health's women,
22 infants, and children program, and the early childhood education and
23 assistance program, to identify children who may be eligible but not
24 enrolled in coverage;

25 (d) Contracting with community-based organizations and government
26 entities to support community-based outreach efforts to help families
27 apply for coverage. These efforts should be targeted to the
28 populations least likely to be covered. The department shall provide
29 informational materials for use by government entities and community-
30 based organizations in their outreach activities, and should identify
31 any available federal matching funds to support these efforts;

32 (e) Development and dissemination of materials to engage and
33 inform parents and families statewide on issues such as: The benefits
34 of health insurance coverage; the appropriate use of health services,

1 including primary care provided by health care practitioners licensed
2 under chapters 18.71, 18.57, 18.36A, and 18.79 RCW, and emergency
3 services; the value of a medical home, well-child services and
4 immunization, and other preventive health services with linkages to
5 department of health child profile efforts; identifying and managing
6 chronic conditions such as asthma and diabetes; and the value of good
7 nutrition and physical activity;

8 (f) An evaluation of the outreach and education efforts, based
9 upon clear, cost-effective outcome measures that are included in
10 contracts with entities that undertake components of the outreach and
11 education effort;

12 (g) (~~(A feasibility study and)~~) An implementation plan to develop
13 online application capability that is integrated with the department's
14 automated client eligibility system, and to develop data linkages with
15 the office of (~~(the)~~) the superintendent of public instruction for
16 free and reduced-price lunch enrollment information and the department
17 of early learning for child care subsidy program enrollment
18 information. (~~(The department shall submit a feasibility study on the~~
19 ~~implementation of the requirements in this subsection to the governor~~
20 ~~and legislature by July 2008.)~~)

21 (7) The department shall take action to increase the number of
22 primary care physicians providing dental disease preventive services
23 including oral health screenings, risk assessment, family education,
24 the application of fluoride varnish, and referral to a dentist as
25 needed.

26 (8) The department shall monitor the rates of substitution between
27 private-sector health care coverage and the coverage provided under
28 this section and shall report to appropriate committees of the
29 legislature by December 2010.

30 (9) To ensure planning and coordination of all aspects of the
31 apple health for kids program across all the involved agencies and
32 with the various stakeholders, and to facilitate the collection,
33 reporting, and analysis of the outcome data required by section 3 of

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1 this act, the position of apple health executive is established and
2 will report directly to the secretary.

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4 **Sec. 3.** RCW 74.09.480 and 2007 c 5 s 4 are each amended to read
5 as follows:

6 (1) The department, in collaboration with the department of
7 health, health carriers, local public health jurisdictions, children's
8 health care providers including pediatricians, family practitioners,
9 and pediatric subspecialists, community and migrant health centers,
10 parents, and other purchasers, shall ((identify explicit performance
11 measures that indicate that a child has an established and effective
12 medical home, such as)) establish a concise set of explicit
13 performance measures that can indicate whether children enrolled in
14 the program are receiving health care through an established and
15 effective medical home, and whether the overall health of enrolled
16 children is improving. Such indicators may include, but are not
17 limited to:

- 18 (a) Childhood immunization rates;
19 (b) Well child care utilization rates, including the use of
20 validated, structured developmental assessment tools that include
21 behavioral and oral health screening;
22 (c) Care management for children with chronic illnesses;
23 (d) Emergency room utilization; ~~((and))~~
24 (e) Visual acuity and eye health;
25 (f) Preventive oral health service utilization; and
26 (g) Children's mental health status. In defining these measures
27 the department shall be guided by the measures provided in RCW
28 71.36.025.

29 Performance measures and targets for each performance measure must
30 be ~~((reported to the appropriate committees of the senate and house of~~
31 ~~representatives by December 1, 2007)) established and monitored each
32 biennium, with a goal of achieving measurable, improved health
33 outcomes for the children of Washington state each biennium.~~

1 (2) Beginning in calendar year 2009, targeted provider rate
2 increases shall be linked to quality improvement measures established
3 under this section. The department, in conjunction with those groups
4 identified in subsection (1) of this section, shall develop parameters
5 for determining criteria for increased payment, alternative payment
6 methodologies, or other incentives for those practices and health
7 plans that incorporate evidence-based practice and improve and achieve
8 sustained improvement with respect to the measures (~~in both fee for~~
9 ~~service and managed care~~)).

10 (3) The department shall provide (~~an annual~~) a report to the
11 governor and the legislature related to provider performance on these
12 measures, beginning in September 2010 for 2007 through 2009 and
13 (~~annually~~) biennially thereafter. The department shall advise the
14 legislature as to its progress towards developing this biennial
15 reporting system by September 30, 2009.

16
17 NEW SECTION. Sec. 4. This act may be known and cited as the
18 apple health for kids act."

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EFFECT: Provides the Department of Social and Health Services greater flexibility in designing a benefit package for children in families with a household income over three hundred percent of the federal poverty level. The Department is directed to maximize the use of existing databases to determine eligibility and renewals and to streamline renewal processes. The position of Apple Health Executive is created in the Department, and will report directly to the Secretary. An eligibility card that identifies the bearer as a participant in the apple health for kids program will be created and distributed to every participant. The card will include a statement of the program's goal that children succeed in school and live healthy lives.

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